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ABSTRACT

The speaker notes the increasingly important role that fringe benefits are playing in the collective bargaining process and offers examples of the costs--both direct and indirect--of these benefits--both economic and "noneconomic"--from his district. The speaker's district put a lid on the costs of fringe benefits by setting a fixed dollar amount for each employee to use in constructing a benefit package. Extensive tabular data is presented. (IRT)

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MR. CHAIRMAN, MEMBERS OF THE PANEL, LADIES AND GENTLEMEN:

IT IS A PRIVILEGE FOR ME TO APPEAR BEFORE YOU TO DISCUSS THE TOPIC "FRINGE BENEFITS -- THE NOT SO INVISIBLE COST." I WANT TO COMMEND YOU FOR YOUR DEDICATION AND WILLINGNESS TO ATTEND THESE SESSIONS AT SUCH AN EARLY HOUR ON SUNDAY MORNING. HOWEVER, I AM SURE IF WE WERE HOLDING FORTH ON THE FIRST TEE OR AROUND THE SWIMMING POOL, ENJOYING HOUSTON'S WARM WEATHER, WE WOULD HAVE AN EVEN LARGER AUDIENCE. I MIGHT ADD THAT I WOULDN'T MIND HOLDING FORTH ON THE FIRST TEE AS A PRIORITY MYSELF. BE THAT AS IT MAY, I WOULD LIKE TO EXPLORE "FRINGE BENEFITS -- THE NOT SO INVISIBLE COST" IN THREE STAGES. THE FIRST STAGE WILL BE THE ROLE OF FRINGE BENEFITS IN THE BARGAINING PROCESS; THE SECOND WILL BE THE ACTUAL CASE STUDIES OF EMPLOYEES OF MY SCHOOL DISTRICT; AND, IN THE THIRD STAGE, I WILL DISCUSS HOW THESE COSTS MAY BE CONTROLLED.

AT THE BARGAINING TABLE MORE AND MORE EMPHASIS IS BEING PLACED ON THE FRINGE BENEFIT PACKAGE AS PART OF THE OVERALL SETTLEMENT. THE VALUE OF THESE DEMANDS AND SETTLEMENTS TENDS TO GET LOST IN FUTURE YEARS BUT REMAINS AS AN EVER-INCREASING COST FACTOR TO THE EMPLOYER. IN THE PRIVATE SECTOR THE FRINGE BENEFIT PACKAGE IS GENERALLY A

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PROPOSAL NEGOTIATED SEPARATELY FROM THE SALARY SETTLEMENT. IN THE PUBLIC SECTOR, WITH THE CHANGING COMPOSITION OF THE BOARDS OF EDUCATION, THESE SETTLEMENTS TEND TO BE FORGOTTEN AND, AS A RESULT, THE DISTRICT FINDS ITSELF PROVIDING MORE AND MORE FRINGE BENEFITS AT INCREASING COSTS. THE PRIVATE SECTOR NORMALLY PROVIDES A LIST OF FRINGE BENEFITS AND THEIR VALUE TO EACH OF ITS EMPLOYEES AND IN SOME CASES THIS IS BECOMING THE PRACTICE IN THE PUBLIC SECTOR. WILMETTE HAS FINALLY COMPLETED TWO SUCH PUBLICATIONS -- ONE FOR THE NON-CERTIFIED PERSONNEL AND THE OTHER FOR THE CERTIFIED STAFF. I HAVE A COPY OF EACH PUBLICATION WITH ME AND IF ANY OF YOU WOULD LIKE TO TAKE A LOOK AT THEM, FEEL FREE TO DO SO. IF YOU WOULD LIKE TO HAVE A COPY OF EITHER OR BOTH, I WOULD BE HAPPY TO FORWARD COPIES TO YOU IF YOU WOULD BE SO KIND AS TO SEND ME YOUR NAME, ADDRESS AND $2.00 FOR POSTAGE AND HANDLING OF EACH COPY.

AS TEACHERS SUBMIT THEIR DEMANDS THERE ARE TWO MAJOR CATEGORIES -- ECONOMIC AND NON-ECONOMIC. THE ECONOMIC IS CLEARLY IDENTIFIABLE BY SALARY AND BASIC FRINGE BENEFITS DEMANDS. IT IS VERY DIFFICULT FOR SCHOOL BOARDS TO GET THE TEACHING STAFF AND THE COMMUNITY TO CONSIDER

MOST ITEMS IN THEIR NON-ECONOMIC PACKAGE AS ECONOMIC AND FRINGE BENEFIT COSTS. FOR EXAMPLE, IN MOST NEGOTIATIONS CLASS SIZE IS CONSIDERED A NON-ECONOMIC ITEM; LEAVES -- SICK LEAVE, PERSONAL LEAVE, ETC. -- TEND TO BE CLASSIFIED AS NON-ECONOMIC ITEMS; PREPARATION TIME IS CONSIDERED A NON-ECONOMIC ITEM; AND THE LIST GOES ON. WHILE THESE ITEMS MAY NOT BE ECONOMIC AS FAR AS THE EMPLOYEE IS CONCERNED, THEY DO BECOME DIRECT ECONOMIC COST ITEMS FOR THE EMPLOYER. REDUCTION IN CLASS SIZE, ONE OF THE BIGGEST NON-ECONOMIC ITEMS ON THE LIST, WOULD REQUIRE ADDITIONAL STAFF IN ORDER TO COMPENSATE FOR THE DECREASED TEACHER-PUPIL RATIO. AND, SINCE SALARIES CONSTITUTE APPROXIMATELY 70-80% OF A SCHOOL DISTRICT'S COSTS, YOU CAN SEE THE IMPACT THAT THIS ITEM HAS ON ECONOMICS. WHAT I AM TRYING TO ILLUSTRATE IS THAT THE THRUST ON NON-ECONOMIC AND FRINGE BENEFIT ITEMS AS THE EMPLOYEES VIEW THESE CATEGORIES BEHOOVES THE SCHOOL BOARDS TO BE VERY CAREFUL ABOUT THEIR SETTLEMENTS AND TO KNOW THAT THEY ARE GETTING PROPER COST INFORMATION FROM THEIR ADMINISTRATION.

FINALLY, FRINGE BENEFITS TEND TO GET LOST IN FUTURE NEGOTIATIONS AS PART OF PAST SALARY SETTLEMENTS. I WILL ILLUSTRATE THIS FACT IN A MORE DRAMATIC FASHION AS I GET INTO ACTUAL CASE STUDIES. BUT, AS AN ILLUSTRATION, LET US

ASSUME YOUR DISTRICT HAS AN EMPLOYEE MAKING $10,000. THAT EMPLOYEE IS PAYING 8% OF HIS/HER SALARY FOR RETIREMENT PURPOSES. LET US ASSUME THAT THE BOARD OF EDUCATION AGREES TO PAY THAT 8% IN LIEU OF A RAISE. IN EFFECT, THAT EMPLOYEE IS REALLY RECEIVING AN $800.00 AFTER TAXES INCREASE. NEXT YEAR, AND FOR SUCCEEDING YEARS, I WOULD BE WILLING TO BET MY ICE CREAM MONEY THAT THE UNION WOULD BEGIN A WHIP-SAWING PROCESS AT THE BARGAINING TABLE BY ILLUSTRATING THAT THE $10,000 EMPLOYEE IS WAY BEHIND THE MARKET AND THERE IS NO WAY, IN MY OPINION, THAT THE DISTRICT CAN EVER RECEIVE CREDIT FOR THE 8% RAISE THE EMPLOYEE RECEIVED THE PREVIOUS YEAR. IT IS HARD ENOUGH TO GET THE EMPLOYEES TO CONCEDE THAT THEIR INCREMENT IS A RAISE, AND THEY CRY "FOUL" WHEN YOU ADD DIRECT FRINGE BENEFIT COSTS TO THE BASE SALARY AND THEN BEGIN TO MAKE COMPARISONS. SO, WHEN YOU, AS BOARD MEMBERS, LOOK AT THE DEMANDS FROM YOUR EMPLOYEE GROUPS MAKE SURE THAT YOU UNDERSTAND WHAT THE ACTUAL COSTS ARE ON A SHORT-TERM BASIS AND A LONG-TERM BASIS AND THEN MAKE A DECISION AS TO WHETHER OR NOT YOUR DISTRICT CAN AFFORD THEM AND WHETHER OR NOT THE SETTLEMENT IS, IN FACT, EQUITABLE WITH THE MARKET IN YOUR RESPECTIVE AREA.

THE FIRST CASE STUDY THAT I WOULD LIKE TO USE AS AN

ILLUSTRATION IS THAT OF AN 8-YEAR TEACHER IN WILMETTE WHO IS EARNING $18,727. WOULD YOU BELIEVE THAT THE TEACHER RECEIVES, IN ADDITION TO BASE SALARY, APPROXIMATELY 26.2% OF THE SALARY IN DIRECT AND INDIRECT FRINGE BENEFITS? I THINK YOU WILL FIND THAT THERE ARE MANY HIDDEN BENEFITS THAT EMPLOYEES DON'T CONSIDER AND THAT PERHAPS EVEN YOU DON'T REALIZE ARE BEING PROVIDED FOR YOUR STAFF.

(SEE CHART I)

FIRST, THERE IS THE FRINGE BENEFIT PROGRAM FOR WHICH $500.00 IS PROVIDED FOR EACH EMPLOYEE. THEN, THERE IS WORKMEN'S COMPENSATION INSURANCE, LIABILITY INSURANCE, LONG TERM DISABILITY INSURANCE AND UNEMPLOYMENT INSURANCE. THE DISTRICT ALSO PICKS UP THE COST OF SUBSTITUTE TEACHERS. IN THIS PARTICULAR CASE STUDY THIS COST AMOUNTS TO $1,243, OR 6.6%. THE INDIRECT COSTS ARE THE DAYS THAT THE DISTRICT IS PAYING THE TEACHER FOR SERVICES NOT RECEIVED FOR THREE TYPES OF LEAVE -- SICK LEAVE, PERSONAL LEAVE AND FUNERAL LEAVE. FINALLY, WHILE NOT A DISTRICT COST, THERE IS A DIRECT COST TO THE STATE OF ILLINOIS -- A CONTRIBUTION OF 9.4% OF THE BASE SALARY FOR THE TEACHER'S RETIREMENT PROGRAM. ALTOGETHER THESE FRINGE BENEFITS AMOUNT TO APPROXIMATELY $4,922.00. HOW MANY OF YOU REALLY THOUGHT ABOUT ALL OF THE BENEFITS AVAILABLE TO YOUR STAFF? HOW MANY OF YOU

THOUGHT THE ONLY THING YOU REALLY HAD TO CONSIDER WAS THE BASIC FRINGE BENEFIT PROGRAM OF $500.00?

THE SECOND CASE STUDY I WOULD LIKE TO HAVE YOU CONSIDER IS A MAINTENANCE EMPLOYEE WHO WORKS 12 MONTHS, OR 261 DAYS, AS COMPARED TO THE TEACHERS' WORK YEAR OF 135 DAYS. THE DISTRICT MUST CONSIDER A DIFFERENT SET OF BENEFITS FOR THE NON-CERTIFIED EMPLOYEES WHO WORK ON A 12-MONTH BASIS. THIS PARTICULAR EMPLOYEE EARNS A BASE SALARY OF $19,044 AND IS IN A SUPERVISORY POSITION.

(SEE CHART II)

YOU CAN SEE BY THE NUMBERS IN THE EXHIBIT THAT THERE ARE SOME DIFFERENCES IN THE COST TO THE BOARD OF EDUCATION BUT THE BASIC FRINGE BENEFIT PROGRAM IS THE SAME AS THAT FOR THE TEACHERS. WORKMEN'S COMPENSATION INSURANCE IS HIGHER BECAUSE OF A MORE HAZARDOUS JOB. THE LIABILITY INSURANCE IS THE SAME. LONG TERM DISABILITY IS A PERCENTAGE OF THE SALARY. UNEMPLOYMENT INSURANCE IS THE SAME AS FOR THE TEACHERS. BUT, PLEASE NOTICE THAT THE BOARD OF EDUCATION, BY STATE LAW, MUST CONTRIBUTE 17.77% OF THE EMPLOYEE'S SALARY TO THE ILLINOIS MUNICIPAL RETIREMENT FUND. AGAIN, HOW MUCH CREDIT DO YOU THINK THE DISTRICT WOULD RECEIVE AT THE BARGAINING TABLE BY TELLING THAT EMPLOYEE THAT HE IS RECEIVING A PENSION

CONTRIBUTION AS A SUPPLEMENTARY SALARY CONSIDERATION? IN THE INDIRECT COSTS, WHICH ARE MORE IN LINE WITH THE PRIVATE SECTOR, THE DISTRICT DOES PAY THIS EMPLOYEE FOR VACATION, HOLIDAYS, SICK LEAVE, PERSONAL DAYS AND FUNERAL DAYS. AS ILLUSTRATED, THIS EMPLOYEE RECEIVES, IN ADDITION TO THE BASE SALARY, APPROXIMATELY 42% OF THE SALARY IN TOTAL FRINGES. WOULD YOU HAVE ESTIMATED THAT MUCH FOR YOUR EMPLOYEES?

LET'S SEE WHAT HAPPENS WITH THIS INDIVIDUAL'S SALARY AND THE DISTRICT'S COSTS BY GIVING A 10% SALARY INCREASE. AT THE BOTTOM OF THE CHART YOU WILL SEE THE BASIC SALARY INCREASE OF $1,904 AND THE OTHER DIRECT AND INDIRECT COSTS THAT ESCALATE AS A RESULT OF THAT BASE SALARY INCREASE. IN THE FINAL ANALYSIS, THAT 10% INCREASE TURNS INTO A 13% COST FACTOR. THE PERCENTAGE DOES NOT CHANGE IN THE TOTAL FRINGE BENEFIT PACKAGE -- THAT WILL STAY AT APPROXIMATELY 42% -- BUT THE INCREASED COST TO THE DISTRICT IS $2,613 RATHER THAN $1,904. IF YOU WANT TO BE A LITTLE MORE GENEROUS IN THE COMPUTATION, THERE IS ONLY $388 THAT REPRESENTS OUT-OF-POCKET EXPENSES, ASSUMING THERE ARE NO CHANGES IN RATES FOR INSURANCE, SOCIAL SECURITY, ILLINOIS MUNICIPAL RETIREMENT FUND, ETC.

NOW, WHAT ABOUT HEAD CUSTODIANS AND SECRETARIES?

LET'S LOOK AT THE HEAD CUSTODIANS.

(SEE CHART III)

THIS CHART ILLUSTRATES A HEAD CUSTODIAN EARNING A SALARY OF $14,795. THIS EMPLOYEE'S DIRECT FRINGE BENEFITS AMOUNT TO 32.3%, AS ILLUSTRATED, AND THE INDIRECT BENEFITS AMOUNT TO 21.2%, OR A GRAND TOTAL OF 53.5%. WHAT HAPPENS TO COSTS IF THIS EMPLOYEE RECEIVES A 10% INCREASE? THE RESULTS WOULD BE THE SAME AS IN THE PREVIOUS ILLUSTRATION. THE TOTAL INCREASE IS APPROXIMATELY 13% OF THE BASE SALARY. THE TOTAL COST IS APPROXIMATELY $1,918 INSTEAD OF THE $1,430 INCREASE IN BASE SALARY.

NEXT, I WOULD LIKE TO ILLUSTRATE THE COSTS FOR SECRETARIAL SERVICES IN THE DISTRICT.

(SEE CHART IV)

THIS ILLUSTRATION IS FOR A 10-YEAR EMPLOYEE EARNING A BASE SALARY OF $12,440. AS ILLUSTRATED IN THE CHART, THE DIRECT COSTS TO THE DISTRICT FOR HER FRINGE BENEFIT PACKAGE IS $3,920, OR 31.5%. THE INDIRECT COSTS AMOUNT TO 19.2%, OR $2,384.00. THE TOTAL COST TO THE DISTRICT IS $6,304, or 50.7%. IF THIS EMPLOYEE WERE TO RECEIVE A 10% INCREASE IN PAY, THE CONTRACTUAL SALARY FOR PAYROLL PURPOSES WOULD BE INCREASED $1,244. IN ADDITION, OTHER PROGRAMS FOR WHICH

THE DISTRICT MUST PAY WOULD INCREASE THE COST APPROXIMATELY $227.00. THIS REPRESENTS AN ADDITIONAL 1.3% COST OVER BASE SALARY. THE INDIRECT COST FOR DAYS NOT WORKED WOULD BE ANOTHER $233.00. THE TOTAL DIRECT AND INDIRECT COSTS WOULD AMOUNT TO $1,709. AGAIN, THIS IS APPROXIMATELY 13% OVER THE BASE SALARY. IN MY OPINION, I HAVE ONE OF THE MOST QUALIFIED, UNDERSTANDING SECRETARIES IN THE PROFESSION BUT I DO NOT BELIEVE THAT I COULD CONVINCE HER THAT HER SALARY IS $13,700; -- WHICH ILLUSTRATES MY CENTRAL THEME THAT AS FRINGE BENEFITS ARE NEGOTIATED INTO CONTRACTS, THEY GET LOST IN COMPENSATION CONSIDERATION BY THE EMPLOYEES, BY THE UNION, BY THE DISTRICT, AND BY THE COMMUNITY.

THE LAST COMPARISON I WOULD LIKE TO HAVE YOU CONSIDER IS THE COMPARISON OF THE FRINGE BENEFIT COSTS IN THE PUBLIC SECTOR VERSUS THE PRIVATE SECTOR.. THE DATA FOR THE PRIVATE SECTOR WAS SECURED FROM THE CHICAGO CHAMBER OF COMMERCE AND IS FOR THE CHICAGO AREA. I DO NOT HAVE ANY NATIONAL STATISTICS AND I AM NOT EVEN SURE IF THERE IS ANY DATA RE FRINGE BENEFITS AVAILABLE ON A NATIONAL BASIS. SO, YOU WILL HAVE TO MAKE YOUR OWN ASSESSMENTS AND EVALUATIONS IN RELATION TO EACH LOCALE.

(SEE CHART V)

I THINK THIS CHART IS QUITE REVEALING. OVERALL, THE PRIVATE SECTOR IN THE CHICAGO AREA PROVIDES ABOUT 30.38% TOTAL FRINGE BENEFITS IN ADDITION TO SALARY. IN COMPARISON, DISTRICT 39 IN WILMETTE PROVIDES THE FOLLOWING: TEACHERS, 26.2%; CUSTODIANS, 53.5%; MAINTENANCE, 41.3%; AND SECRETARIES, 50.7%. TO HELP INTERPRET THIS DATA I THINK I SHOULD POINT OUT THAT THE PRIVATE SECTOR DOES NOT PAY FOR SUBSTITUTES OR PROVIDE THE SAME LEAVE BENEFITS WHICH DISTRICT 39 PROVIDES. THE TEACHERS, OF COURSE, DO NOT RECEIVE PAID VACATIONS AS PROVIDED 12-MONTH EMPLOYEES IN BOTH THE PRIVATE AND PUBLIC SECTORS. THE TEACHERS IN ILLINOIS PAY THEIR OWN PENSION CONTRIBUTION AND THE STATE PAYS 9.4% BUT THE DISTRICT PAYS THE STATE PENSION CONTRIBUTION FOR NON-CERTIFIED STAFF MEMBERS. NOW, HOWEVER, THERE IS A CONCERTED THRUST BY THE TEACHERS' UNION TO HAVE THE TEACHERS' CONTRIBUTION OF 3% PAID BY THE SCHOOL DISTRICT. THAT WOULD ALTER THE STATISTICS CONSIDERABLY.

HOW DO WE CONTROL THESE COSTS? AS THE BOARDS OF EDUCATION LOOK AT THEIR FRINGE BENEFIT PROGRAMS, I WOULD SUGGEST THAT THEY TRY TO DESIGN AND IMPLEMENT A FIXED DOLLAR APPROACH TO FRINGE BENEFITS. DISTRICT 39 PROVIDES $500.00 PER EMPLOYEE FOR THE PURPOSE OF BUYING A FRINGE BENEFITS PROGRAM. OUR BOARD OF EDUCATION ADOPTED THE

FIXED DOLLAR APPROACH SEVERAL YEARS AGO BECAUSE OF THE ESCALLATING COST OF INSURANCE PROGRAMS AND, ON A PER-CENTAGE BASIS, THEY COULD SEE NO WAY OF COMBATTING THE COSTS. A LIST OF THE BENEFITS THAT DISTRICT 39 EMPLOYEES MAY PURCHASE ARE SHOWN ON THE FOLLOWING CHARTS.

(SEE CHART VI - CERTIFIED STAFF)

(SEE CHART VII - NON-CERTIFIED STAFF)

FINALLY, AS BOARDS OF EDUCATION SIT AT THE BARGAIN-ING TABLE, I WOULD SUGGEST THAT THEY BE HESITANT ABOUT GIVING IN TO FRINGE BENEFIT OR NON-ECONOMIC DEMANDS BECAUSE THERE GENERALLY IS A COST FACTOR ATTACHED TO THE NON-ECONOMIC ITEMS. BOARDS LOSE BARGAINING POWER IN FUTURE SESSIONS ONCE A UNION HAS A FRINGE BENEFIT ITEM -- AND THE FRINGE BENEFIT SYNDROME HAS AN APPETITE THAT NO ONE CAN SATISFY. A LAW THAT MIGHT COME INTO PLAY AT THIS POINT IS MURPHY'S LAW WHICH STATES: ALL THINGS BEING EQUAL, YOU ARE BOUND TO LOSE. ANOTHER LAW THAT MIGHT BE APPROPRIATE AT THIS POINT IS FINAGLE'S LAW: ONCE A FRINGE BENEFIT PROGRAM IS FOULED UP, ANYTHING DONE TO IMPROVE IT ONLY MAKES IT WORSE. SO, AS YOU LOOK AT FRINGE BENEFIT PROGRAMS AND THEIR COSTS, TAKE A CUE FROM A COUPLE OF COURTING PORCUPINES -- PROCEED CAREFULLY, VERY CAREFULLY.

YOU HAVE BEEN A GOOD AUDIENCE. I APPRECIATE YOUR ATTENDANCE. PLEASE REMEMBER THAT EACH BOARD WILL HAVE TO EVALUATE ITS FRINGE BENEFIT PROGRAM AND DETERMINE WHETHER OR NOT IT IS MEETING THE OBJECTIVE FOR WHICH IT IS DESIGNED WITHIN THE LOCAL DISTRICT'S ABILITY TO FINANCE THE PROGRAM. I HOPE I HAVE STIMULATED YOUR THINKING AND I HOPE I HAVE BEEN HELPFUL IN OUTLINING SOME OF THE AREAS YOU, AS BOARD MEMBERS, SHOULD AND MUST CONSIDER IN DETERMINING EMPLOYEE COMPENSATION PROGRAMS. FINALLY, I HOPE I HAVE RAISED ENOUGH QUESTIONS AND CONCERNS SO THAT WE WILL HAVE A GOOD DISCUSSION.

THANK YOU VERY MUCH.

CHART I

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
8-YEAR EMPLOYEE (TEACHER)
1976-77 BASE SALARY OF $13,727

DIRECT COSTS

	Cost	% OF BASE SALARY
FRINGE BENEFIT PROGRAM	$500.00	2.79
WORKMEN'S COMPENSATION INS.	32.00	.20
LIABILITY INSURANCE	10.00	.05
LONG TERM DISABILITY INS.	64.00	.34
UNEMPLOYMENT TAX	162.00	.87
SUBSTITUTE FOR SICK LEAVE 15 DAYS @ $25.00	375.00	2.00
SUBSTITUTE FOR FUNERAL LEAVE 2 DAYS @ $25.00	50.00	.27
SUBSTITUTE FOR PERSONAL LEAVE 2 DAYS @ $25.00	50.00	.27
SUBTOTALS	$1,243.00	6.7%

INDIRECT COSTS

SICK LEAVE - 14 DAYS @ $101.23	$1,515.00	8.09
PERSONAL LEAVE - 2 DAYS	202.00	1.07
FUNERAL LEAVE - 2 DAYS	202.00	1.07
STATE'S CONTRIB. TO PENSION	1,760.00	9.40
SUBTOTALS	$3,679.00	19.6%
TOTAL FRINGE BENEFIT COSTS	$4,922.00	26.3%

CHART 1A

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
3-YEAR EMPLOYEE (TEACHER)
1977-78 BASE SALARY OF $20,600 (10% INC.)

DIRECT COSTS:

BENEFIT	COST		% OF BASE SALARY
FRINGE BENEFIT PROGRAM	$ 500.00		
WORKMEN'S COMPENSATION INS.	35.00		
LIABILITY INSURANCE	10.00		
LONG TERM DISABILITY INS.	70.00		
UNEMPLOYMENT TAX	162.00		
SUBSTITUTE FOR SICK LEAVE - 15 DAYS	450.00		
SUBSTITUTE FOR FUNERAL LEAVE-2 DAYS	60.00		
SUBSTITUTE FOR PERSONAL LV. -2 DAYS	60.00		
SUBTOTALS		$1,347	6.5%
INDIRECT COSTS:			
SICK LEAVE - 15 DAYS @ $111.00	1,665.00		
PERSONAL LEAVE - 2 DAYS	222.00		
FUNERAL LEAVE - 2 DAYS	222.00		
STATE'S CONTRIB. TO PENSION	1,936.00		
SUBTOTALS		4,045	19.6%
TOTAL FRINGE BENEFIT COSTS		$5,392	26.2%

SUMMARY:

TOTAL BASE INCREASE	$1,873.00
TOTAL DIRECT COST INCREASE	104.00
TOTAL INDIRECT COST INCREASE	366.00
TOTAL COST INCREASE	$2,343.00

CHART II

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
15-YEAR EMPLOYEE (MAINTENANCE STAFF, NON-CERTIFIED)
1976-77 BASE SALARY OF $19,040

DIRECT COSTS:

BENEFIT	COST	% OF BASE SALARY
FRINGE BENEFIT PROGRAM	$ 500.00	2.60
WORKMEN'S COMPENSATION INS.	436.00	2.30
LIABILITY INSURANCE	10.00	.01
LONG TERM DISABILITY INS.	65.00	.34
UNEMPLOYMENT TAX	162.00	.85
ILLINOIS MUNICIPAL RETIRE. FUND	3,484.00	18.30
SUBTOTALS	$4,652.00	24.5%

INDIRECT COSTS:

VACATION - 20 DAYS	$1,488.00	8.00
SICK LEAVE - 10 DAYS	744.00	3.90
HOLIDAYS (PAID) - 11 DAYS	819.00	4.30
PERSONAL LEAVE - 2 DAYS	149.00	.80
FUNERAL LEAVE - 2 DAYS	149.00	.80
SUBTOTALS	3,349.00	17.8%
TOTAL FRINGE BENEFIT COSTS	$8,001.00	42.3%

CHART IIA

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
15-YEAR EMPLOYEE (MAINTENANCE STAFF, NON-CERTIFIED)
10% SALARY INCREASE FOR 1977-78

DIRECT COSTS:

BENEFIT	COST		% OF BASE SALARY
SALARY INCREASE (10% OF $19,044)	$1,904.00		
WORKMEN'S COMPENSATION INS.	44.00		
LONG TERM DISABILITY INS.	6.00		
ILLINOIS MUNICIPAL RETIRE. FUND	338.00		
SUBTOTAL		$2,292.00	

INDIRECT COSTS:

VACATION, SICK LEAVE, PERSONAL LEAVE, ETC. - 44 DAYS @ $7.30	$ 321.00		
SUBTOTAL		321.00	
TOTAL COST INCREASE		$2,613.00	.....13.0%

CHART III

WILMETTE PUBLIC SCHOOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
10-YEAR EMPLOYEE (HEAD CUSTODIAN)
1976-77 BASE SALARY OF $14,735

DIRECT COSTS:

BENEFIT	COST		% OF BASE SALARY
FRINGE BENEFIT PROGRAM	$ 500.00		3.4
WORKMEN'S COMPENSATION INS.	338.00		2.3
LIABILITY INSURANCE	10.00		.1
LONG TERM DISABILITY INS.	50.00		.3
UNEMPLOYMENT TAX	102.00		1.1
SUBSTITUTE - 24 DAYS @ $47.00	1,128.00		7.6
ILLINOIS MUNICIPAL RETIRE. FUND	2,629.00		17.8
SUBTOTALS		$4,818.00	..... 32.7%

INDIRECT COSTS:

VACATION - 20 DAYS @ $57.00	$1,140.00		7.7
HOLIDAYS (PAID) - 11 DAYS	627.00		4.2
SICK LEAVE - 20 DAYS @ $57.00	1,140.00		7.7
PERSONAL LEAVE - 2 DAYS	114.00		.8
FUNERAL LEAVE - 2 DAYS	114.00		.8
SUBTOTALS		3,135.00	..... 21.2
TOTAL FRINGE BENEFIT COSTS		$7,953.00	..... 53.5

CHART IIIA

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
19-YEAR EMPLOYEE (HEAD CUSTODIAN)
10% SALARY INCREASE FOR 1977-78

DIRECT COSTS:

BENEFIT	COST		% OF BASE SALARY
SALARY INCREASE (10% OF $14,795)	$1,479.00		
WORKMEN'S COMPENSATION INS.*	34.00		
LONG TERM DISABILITY INS.	5.00		
ILLINOIS MUNICIPAL RETIRE. FUND	263.00		
SUBTOTAL		$1,782.00	

INDIRECT COSTS:

VACATION, SICK LEAVE, PERSONAL LEAVE, ETC. - 24 DAYS @ 5.67	$ 136.00		
SUBTOTAL		136.00	
TOTAL COST INCREASE		$1,918.00	13.0%

CHART IV

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
10-YEAR EMPLOYEE (SECRETARY)
1976-77 BASE SALARY OF $12,440

DIRECT COSTS:

BENEFIT	COST	% OF BASE SALARY
FRINGE BENEFIT PROGRAM	$ 500.00	4.0
WORKMEN'S COMPENSATION INS.	21.00	.2
LIABILITY INSURANCE	10.00	.1
LONG TERM DISABILITY INS.	42.00	.3
UNEMPLOYMENT TAX	162.00	1.3
SUBSTITUTE - 39 DAYS @ $25.00	975.00	7.8
ILLINOIS MUNICIPAL RETIRE. FUND	2,210.00	17.8
SUBTOTALS	$3,920.00	31.5%

INDIRECT COSTS:

VACATION - 20 DAYS @ $48.00	960.00	7.7
HOLIDAYS (PAID) - 11 DAYS	528.00	4.2
LEAVES (SICK, ETC.) - 19 DAYS	912.00	7.3
SUBTOTALS	2,384.00	19.2%
TOTAL FRINGE BENEFIT COSTS	$6,304.00	50.7%

CHART IVA

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

SALARY & FRINGE BENEFIT CASE STUDY
10-YEAR EMPLOYEE (SECRETARY)
10% SALARY INCREASE FOR 1977-78

DIRECT COSTS:

BENEFIT	COST		% OF BASE SALARY
SALARY INCREASE (10% OF $12,440)	$1,244.00		
WORKMEN'S COMPENSATION INS.	2.00		
LONG TERM DISABILITY INS.	4.00		
ILLINOIS MUNICIPAL RETIRE. FUND	221.00		
SUBTOTAL		$1,471.00	

INDIRECT COSTS:

VACATION, SICK LEAVE, PERSONAL LEAVE, ETC. - 50 DAYS @ $4.76	$ 238.00		
SUBTOTAL		238.00	
TOTAL COST INCREASE		$1,709.00	13.0%

CHART V

WILMETTE PUBLIC SCHOOLS, DISTRICT 39
WILMETTE, ILLINOIS

FRINGE BENEFIT COMPARISON

	PRIVATE SECTOR	SCHOOL DISTRICT 39			
		TEACHER	CUSTODIAN	MAINTENANCE	SEC'Y
DIRECT COSTS	18.42%	6.6%	32.3%	24.5%	31.5%
INDIRECT COSTS	12.46%	19.6%	21.2%	17.8%	19.2%
TOTAL COSTS	30.88%	26.2%	53.5%	41.3%	50.7%

FRINGE BENEFIT OPTIONS

CERTIFIED STAFF

1. HEALTH INSURANCE
2. PHYSICAL EXAMINATION
3. ADDITIONAL PHYSICAL EXAMINATION (IF PRESCRIBED)
4. TUITION
5. TERM LIFE INSURANCE
6. EYE EXAMINATION
7. NON-CREDIT COURSE WORK
8. DENTAL EXAMINATION

CHART VII

FRINGE BENEFIT OPTIONS

NON-CERTIFIED STAFF

1. HEALTH INSURANCE
2. LIFE INSURANCE
3. PHYSICAL EXAMINATION
4. ADDITIONAL PHYSICAL EXAMINATION (IF PRESCRIBED)
5. DENTAL EXAMINATION
6. EYE EXAMINATION
7. PROFESSIONAL GROWTH
8. CLOTHING ALLOWANCE (CUSTODIAL/MAINTENANCE/CAFETERIA STAFFS)